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R 101856Z MAR 09
FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4608
INFO RUEHAC/AMEMBASSY ASUNCION 3835
RUEHBO/AMEMBASSY BOGOTA 2330
RUEHBU/AMEMBASSY BUENOS AIRES 1343
RUEHBR/AMEMBASSY BRASILIA 0743
RUEHCV/AMEMBASSY CARACAS 1983
RUEHPE/AMEMBASSY LIMA 6033
RUEHMN/AMEMBASSY MONTEVIDEO 4282
RUEHQT/AMEMBASSY QUITO 2215
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000227

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STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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SUBJECT: CHILE MEDIA REPORT - MARCH 10

Leading Stories

11. The government is requesting Congress approve US\$1.47 billion to finance Santiago's public transportation system through 2014. The Central Bank's economic growth estimates for 2009 dropped to 0.2%, down from 2-3% estimates.

U.S.-Related News

12. Editorial "Poisoned Grapes": "It has been twenty years since two grapes allegedly contaminated with cyanide severely disrupted commercial ties between Chile and the United States. The unfortunate incident -- which resulted in the banned product for a week from U.S., Canadian, and some European markets -- left in Chile a wounded perception about the attitude toward our country, which has not fully healed.... The court proved that the grapes were not contaminated in Chile, but in spite of that the United States did not indemnify those affected. Chile's export image was damaged and companies suffered severe losses... that employed 200,000 workers. The case was closed and there were no charges brought against anyone. But until today there has been not even an apology... or explanation.... This is a terrible precedent that no chancery can forget and that is always in mind when the Department of State urges a country to comply with an international order.... The disillusion is a bitter mark in the bilateral relation that has not been forgotten. It's unlikely that the United States would behave the same way with a developed nation that it calls a friend, and the absence of minimum tact left the feeling that our relationship is of less value.... It would be more than timely to correct this now to close the chapter and begin a healthy and renewed relationship (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 3/10).

13. Papa John's pizza chain will meet in April with local businesses interested in acquiring the franchise. The chain has tried to enter the local market several times before (Diario Financiero, business and financial, circ. 30,000, 3/10).

Economy

14. The Central Bank estimated that Chile's economy will grow only 0.2% in 2009 (El Mercurio, 3/10).

SIMONS